

TEXAS APPRAISER LICENSING  
AND CERTIFICATION BOARD

vs.

MICHAEL EDWARD REYNA  
TX-1320518-G

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DOCKETED COMPLAINT NO.  
06-002

**AGREED FINAL ORDER**

On this the 27<sup>th</sup> day of June, 2008, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of Michael Edward Reyna, (Respondent). The Board makes the following findings of fact and conclusions of law and enters this Order in accordance with TEX. OCC. CODE § 1103.458:

In order to conclude this matter, Michael Edward Reyna neither admits nor denies the truth of the Findings of Fact and Conclusions of Law contained herein and further agrees to the disciplinary action set out in this Agreed Final Order. The Board makes the following findings of fact and conclusions of law and enters this Order in accordance with TEX. OCC. CODE § 1103.458:

**FINDINGS OF FACT**

1. Respondent Michael Edward Reyna is a Texas state certified general real estate appraiser, holds certification number TX-1320518-G, and has been certified by the Board during all times material to the above-noted complaint case.
2. On or about October 30<sup>th</sup>, 2000 Respondent appraised real property located at 50 Savannah Heights, Von Ormy, Texas 23027 ("the property").
3. On or about September 12<sup>th</sup>, 2005, the Complainant, Jack McComb, an investigator with the Board, filed a staff-initiated complaint with the Board. The complaint was based upon a referral from Peter G. Kopperman, Vice President of Single-family Mortgage Business at Fannie Mae ("Fannie Mae"). Fannie Mae alleged that the Respondent had produced an appraisal report for the property that contained potential violations of the Uniform Standards of Professional Appraisal Practice.
4. On or about September 16<sup>th</sup>, 2005, the Board, in accordance with the mandate of the Administrative Procedure Act (the APA), TEX. GOV'T CODE ANN. CHPT. 2001, and TEX. OCC. CODE CHPT. 1103, notified Respondent of the nature of the accusations involved and Respondent was afforded an opportunity to respond to the accusations alleged by the Complainant. Respondent's response was received.

5. The Enforcement Division has concluded that the Respondent violated 22 TEX. ADMIN. CODE §§ 153.20(a)(3) and 155.1(a) by the following acts or omissions which did not conform to USPAP in effect at the time of the appraisal report on the property:

- a. USPAP Ethics Rule – Respondent failed to adhere to the record keeping provisions of the Ethics Rule;
- b. USPAP Standards 1-3(b) & 2-2(b)(x) – Respondent has failed to provide a brief summary of his rationale for his determination of the property's highest and best use;
- c. USPAP Standards 1-4(b)(i) & 2-2(b)(ix) and 1-4(b)(ii) & 2-2(b)(ix)– Respondent failed to use an appropriate method or technique to develop an opinion of the property's site value and has failed to collect, verify, analyze and reconcile the cost new of improvements;
- d. USPAP Standards 1-4(a) & 2-2(b)(ix) & 1-1(a) and 1-4(a) – Respondent did not collect, verify, analyze and reconcile the comparable sales data adequately and failed to employ recognized methods and techniques correctly in his sales comparison approach;
- e. USPAP Standards 1-5(a) & 2-2(b)(ix) – Respondent failed to disclose and analyze the current agreement of sale;
- f. USPAP Standard 1-1(a) – Respondent did not correctly employ recognized methods and techniques to produce a credible appraisal report;
- g. USPAP Standard 1-1(b) – Respondent committed substantial errors of omission or commission that significantly affected his appraisal report for the property;

7. Respondent also made material misrepresentations and omissions of material facts in the appraisal report of the property. These include: failure to disclose, analyze and report the agreement of sale for the property; failure to provide a brief summary of his rationale for his determination of the property's highest and best use; and, misrepresenting the comparable sales analysis by using assemblage sales instead of true, market-tested sales.

## **CONCLUSIONS OF LAW**

- 1. The Texas Appraiser Licensing and Certification Board has jurisdiction over this matter pursuant to the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE § 1103 et. seq.
- 2. Respondent violated the following USPAP provisions as prohibited by 22 TEX. ADMIN. CODE §§ 153.20(a)(3) and 155.1(a): USPAP Ethics Rule and USPAP

Standards Rules: 1-3(b) & 2-2(b)(x); 1-4(b)(i) & 2-2(b)(ix); 1-4(b)(ii) & 2-2(b)(ix); 1-4(a) & 2-2(b)(ix); 1-1(a) and 1-4(a); 1-5(a) & 2-2(b)(ix); 1-1(a); 1-1(b); and, 2-1(a).

3. Respondent violated 22 TEX. ADMIN. CODE § 153.20(a)(9) by making material misrepresentations and omissions of material facts in his appraisal report.

Based on the above findings of fact and conclusions of law, the Board **ORDERS** that the Respondent:

- a. Shall attend and complete a minimum, 15 classroom-hour course in USPAP;
- b. Is hereby publicly reprimanded for producing an appraisal report that failed to comply with the provisions of USPAP in effect at the time he conducted this appraisal assignment;
- c. Comply with all provisions of the Act, the Rules of the Board, and USPAP in the future, or be subjected to further disciplinary action.

**ALL CLASSES** required by this Agreed Final Order must be classes approved by the Board and must be completed within **TWELVE MONTHS** of the date of this Order and documentation of attendance and successful completion of the educational requirements of this Order shall be delivered to the Board on or before the end of the twelve-month period indicated. None of the classes or seminars required by this Order may be taken through correspondence courses. All classes must be in-class, have an exam, and Respondent must have a passing grade on the exam given in each class. None of these required classes will count toward Respondent's continuing education requirements for certification.

Failure to timely comply with any of the terms of this Final Agreed Order shall result in initiation of a contested case proceeding against Respondent and after opportunity for a hearing, possible imposition of disciplinary sanctions against Respondent as provided for by TEX. OCC. CODE § 1103.518.

Respondent, by signing this Agreed Final Order, neither admits nor denies that the findings of fact and conclusions of law herein set forth are correct; however, Respondent consents to the entry of this Agreed Order to avoid the expense of litigation and to reach an expeditious resolution of this matter. Respondent also agrees to satisfactorily comply with the mandates of this Agreed Final Order in a timely manner.

Respondent, by signing this Agreed Final Order, waives the Respondent's right to a formal hearing and any right to seek judicial review of this Agreed Final Order. Information about this Agreed Final Order is subject to public information requests and notice of this Agreed Final Order will be published in the Board's newsletter and/or on the Board's web site.

THE DATE OF THIS AGREED FINAL ORDER shall be the date it is executed by the Chairperson of the Texas Appraiser Licensing and Certification Board. The Chairperson has been delegated the authority to sign this Agreed Final Order by the Texas Appraiser Licensing and Certification Board vote.

Signed this 9 day of June, 2008.



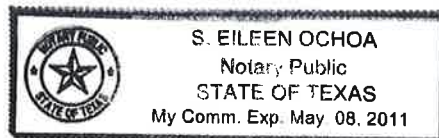
MICHAEL EDWARD REYNA

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 9<sup>th</sup> day of June, 2008, by MICHAEL EDWARD REYNA, to certify which, witness my hand and official seal.




Notary Public Signature

S. Eileen Ochoa  
Notary Public's Printed Name



Signed by the Commissioner this 27<sup>th</sup> day of June, 2008.



Timothy K. Irvine, Commissioner  
Texas Appraiser Licensing and Certification Board

Approved by the Board and Signed this 27<sup>th</sup> day of JUNE, 2008.



Clinton P. Sayers, Chairperson  
Texas Appraiser Licensing and Certification Board